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IN, FR, SF, KS, NL, JA, MG, NZ
SUBJECT: NUCLEAR FUEL BANKS - ELICITING SUPPORT FOR THE
ANGARSK RESERVE

¶1. (U) This is an ACTION REQUEST: Please see para 3.

¶2. (SBU) SUMMARY: At the November 26-27, 2009 meeting of the International Atomic Energy Agency (IAEA) Board of Governors, the Board will be asked to formally approve the first proposal for an international nuclear fuel bank. Specifically, the Board will be asked to vote on a resolution from the Russian Federation that would authorize the IAEA Director General to enter into the necessary agreements to establish the nuclear fuel reserve in Angarsk, Russia. The United States supports this initiative as a means of expanding access to nuclear power while addressing nonproliferation risks. The cable seeks support from all members of the IAEA Board, with the exception of Cuba, for this resolution. END SUMMARY.

¶3. (SBU) ACTION REQUESTS:

-- All Posts with the exception of Moscow are requested to convey the points in para 7, which call for support of the Russian resolution on the Angarsk nuclear fuel reserve, to appropriate officials in the host government.

-- For Moscow only: Post is requested to inform appropriate

government officials that the United States is calling on all other members of the IAEA Board (with the exception of Cuba) for their support of the Angarsk proposal. Post is requested to encourage the Government of Russia to make a similar demarche to other IAEA Board members.

-- For New Delhi only: Post is requested to insert supplemental points, as appropriate, based on consultations by U/S Tauscher that are currently underway.

¶4. (SBU) BACKGROUND: Since 2004, the International Atomic Energy Agency (IAEA) has promoted the concept of multilateral nuclear fuel assurances. This concept is intended to strengthen the international nuclear fuel market and thereby remove an incentive for states to develop indigenous uranium enrichment and spent fuel reprocessing capacity. Over the past five years, a number of concrete and complementary fuel assurance proposals have been developed.

¶5. (SBU) One of these - for a nuclear fuel reserve in Angarsk, Russia - will be presented to the IAEA Board of Governors at their November 26-27, 2009 meeting. This guaranteed reserve of low-enriched uranium fuel would be located in an IAEA-safeguarded facility in Angarsk, Siberia for use in cases of fuel supply disruption. Under the current proposal, the IAEA Director General would be authorized to request fuel from this reserve for transfer to a recipient state in good standing with its IAEA safeguards obligations. The Government of Russia is responsible for issuing any necessary export authorizations, in accordance with domestic law.

¶6. (SBU) Transfer of fuel from this reserve would be based on a pair of agreements, the first between Russia and the IAEA and the second between the IAEA and the recipient state. These agreements have now been finalized and submitted to the IAEA Board for its consideration. At the November meeting, we expect the Board will consider a Russian resolution ("On the Establishment by the Russian Federation of a Reserve of Low Enriched Uranium to the IAEA for its Member States") that would formally authorize the IAEA Director General to enter into these two agreements to establish the Angarsk reserve. The United States will support this resolution, and is calling on all other members of the Board for their support. END BACKGROUND.

¶7. (SBU) BEGIN TALKING POINTS:

-- For many years, the IAEA has sought to establish a mechanism to provide reliable access to nuclear fuel. The United States has supported this effort.

-- We believe the establishment of nuclear fuel banks would support expansion of nuclear energy worldwide by increasing confidence of countries considering nuclear energy that alternatives will be available in the event of disruption of supply of nuclear fuel.

-- A fuel bank would expand access to the peaceful use of nuclear energy while simultaneously addressing proliferation risks associated with the potential spread of uranium enrichment and spent fuel reprocessing technologies.

-- No state is being asked to give up any rights to peaceful nuclear technologies.

-- A nuclear fuel bank must not and does not alter the rights recognized under the Nonproliferation Treaty; instead, it would facilitate the expansion of peaceful nuclear energy to many more countries.

-- In all, a dozen diverse and complementary fuel assurance proposals have been crafted by governments and non-governmental organizations (NGOs).

-- One fuel bank concept is now before the IAEA Board of Governors for its consideration and approval) the establishment of a low enriched uranium reserve in Angarsk,

Russia.

-- In event of a non-commercial disruption of supply, upon the request of the IAEA, fuel from this reserve could be transferred, in accordance with Russian law, to a recipient in good standing with its IAEA safeguards obligations.

-- The United States supports the Angarsk reserve, and we will be lending our support of the expected resolution "On the Establishment by the Russian Federation of a Reserve of Low Enriched Uranium to the IAEA for its Member States."

-- This resolution would authorize the IAEA Director General to enter into the necessary agreements to establish the Angarsk reserve.

-- With your support, the Angarsk reserve could be the first nuclear fuel bank established, and would provide the IAEA with an additional resource to facilitate access to peaceful nuclear power while managing proliferation risk.

-- Approval of the Angarsk reserve could open the way for additional fuel reserves and other ideas for multilateral fuel supply assurances.

-- We strongly encourage you to vote for approval of the Angarsk reserve if, as we expect, Russia requests a decision on its proposal through the mechanism of a resolution.

-- If you are not prepared to support the Angarsk reserve at this meeting, we strongly urge you to abstain.

END TALKING POINTS.

18. (U) Department thanks Posts for their assistance in this matter, and requests that any substantive responses be transmitted by Monday, November 23. Department points of contact for working-level fuel assurance issues are Marc Humphrey and Burrus Carnahan (ISN/NESS); please include USMISSION UNVIE VIENNA as an info addressee on all responses.
CLINTON